

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

LEHMAN BROTHERS HOLDINGS INC.,

Debtor.

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Chapter 11

Case No. 08-13555 (JMP)

(Jointly Administered)

**[PROPOSED] ORDER GRANTING MOTION OF NEW YORK STATE
COMPTROLLER FOR APPOINTMENT OF A TRUSTEE**

Upon consideration of the motion of New York State Comptroller Thomas P. DiNapoli, as Administrative Head of the New York State and Local Retirement Systems and sole Trustee of the New York State Common Retirement Fund, for appointment of a trustee pursuant to 11 U.S.C. § 1104(a) or, in the alternative, for appointment of an examiner with expanded powers under 11 U.S.C. § 1104(c) (the “Motion”); and this Court having jurisdiction to consider and rule on the Motion and the relief requested therein; after due notice of the Motion having been given and the Court having held a hearing at which interested parties were presented with an opportunity to be heard; and upon the Court’s determination of sufficient cause for the relief requested in the Motion; it is hereby Ordered that:

1. The Motion is for appointment of a trustee for the estates of Lehman Brothers Holdings Inc. (“Lehman”) and its affiliated debtors-in-possession other than Lehman Brothers Inc. (the “Debtors”) is granted, and the United States Trustee is directed to appoint a trustee (the “Trustee”) on or before _____, 2008. It is further Ordered that the Trustee shall:

- (a) Replace Lehman’s Board of Directors and its Chairman and Chief Executive Officer, Richard S. Fuld, Jr., to supervise Chief Restructuring

Officer Bryan Marsal (the “CRO”) and Alvarez & Marsal North America LLC (“A&M”) in connection with their performance of services pursuant to the September 15, 2008 retention letter executed between Lehman and A&M, any modifications thereto, and any subsequent Orders of this Court;

- (b) Perform the duties required under Sections 704 and 1106(a) of the Bankruptcy Code, specifically including investigating the financial affairs of the Debtors, the Debtors’ and their senior managements’ pre-petition conduct, and claims the Debtor may possess; and
- (c) Perform other functions that Sections 704 and 1106 of the Bankruptcy Code provide pursuant to further orders of this Court.

2. The Debtors and all their affiliates and subsidiaries and any statutory committees are directed to fully cooperate with the Trustee in connection with the performance of any of its duties or responsibilities. The Debtors and all their affiliates and subsidiaries and any statutory committees shall promptly provide to the Trustee all documents, data, communications and information that the Trustee deems relevant to discharge its duties under this Order and the Bankruptcy Code.

3. The Trustee may retain counsel and other professionals if it determines that such retention is necessary, subject to the approval of this Court, and the Trustee and any professionals retained pursuant to any Order of this Court shall be compensated from the estates of the Debtors.

4. Nothing in this Order shall impede the right of the U.S. Trustee or any other party-in-interest to request any other lawful relief, including, but not limited to, the expansion of the scope of the Trustees duties.

Dated: _____, 2008

HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE